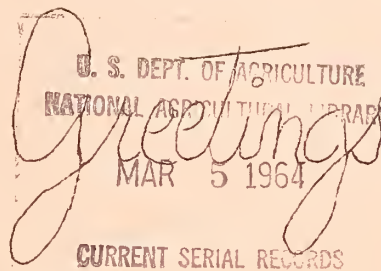


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Reserve Volume 8

MILK MARKET INFORMATION
CHATTANOOGA, TENNESSEE MARKETING AREA
November 1963

Number 4

Released Pursuant to §1090.27 (j) and §1090.85, USDA-AMS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY NOVEMBER 1963

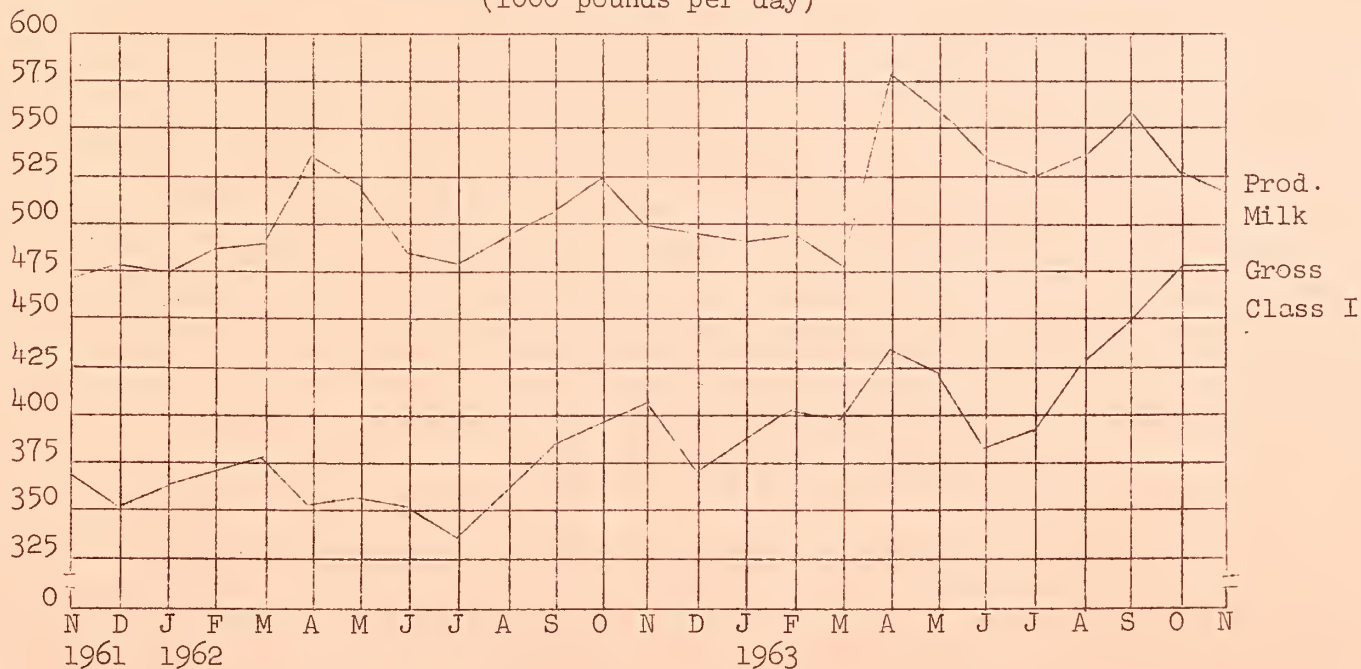
The MINIMUM uniform producer price is \$4.69 per cwt. f.o.b. Chattanooga Area Pool plants for milk containing 3.5% butterfat. The producer butterfat differential is 7.4 cents for each one-tenth of one percent above or below 3.5%.

During November 91.4% of the total producer milk was priced in Class I at \$4.88 per cwt. with a butterfat differential of 7.6 cents and 8.6% in Class II at \$3.13 per cwt. with a butterfat differential of 6.7 cents. The daily average use of Gross Class I milk decreased 0.1% compared with October 1963 and increased 16.9% compared with November 1962.

Daily average delivery of milk from producers was 517,129 pounds in November 1963, a decrease of 14,355 pounds per day compared with October 1963 and an increase of 16,990 pounds compared with November 1962. Percentage-wise, November deliveries decreased 2.7% compared with October 1963 and increased 3.4% compared with November 1962.

MILK SAMPLES TESTED - Producer Fresh Samples 5,824 - Handler Finished Products 195.

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION
(1000 pounds per day)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Nov. '63</u>	<u>Oct. '63</u>	<u>Nov. '62</u>
Number of Plants (Pool and Non-Pool)	14	14	14
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>			
Producer Deliveries	517,129	531,484	500,139
% November '63 compared with:	100.0	97.3	103.4
Other Source	18,159	16,869	9,570
Other Order	5,857	9,091	5,611
Total Milk Receipts	541,145	557,444	515,320
% November '63 compared with:	100.0	97.1	105.0
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>			
Class I Uses:			
Fluid Milk	393,393	393,251	318,343
Fluid Skim	23,816	22,025	17,864
Buttermilk	46,554	45,668	42,454
Flavored Milk & Drink	11,897	13,253	9,370
Fluid Creams (Sweet & Sour)	2,925	2,676	2,747
Bulk to Non-Handlers	307	633	19,263
Shrinkage Class I	451	876	1,387
Other	(1,746)	(490)	(2,861)
Total Class I Milk	477,597	477,892	408,567
% November '63 compared with:	100.0	99.9	116.9
Class II Uses:			
Butter	1,773	1,109	7,008
Cottage Cheese	17,264	19,643	15,099
Powdered and Condensed Milk	6,960	7,505	48,905
Ice Cream	25,589	36,654	24,837
Stockfeed	4,260	4,436	5,101
Shrinkage Class II	7,834	9,072	8,686
Other	(132)	1,133	(2,883)
Total Class II Milk	63,548	79,552	106,753
% November '63 compared with:	100.0	79.9	59.5
Gross Class I Butterfat Pounds	17,009	17,022	14,822
Gross Class II Butterfat Pounds	5,568	5,703	7,480
Total Butterfat Pounds	22,577	22,725	22,302
% Producer Milk of Gross Class I	108.3	111.2	122.4
% Producer Milk priced in Class I	91.4	88.8	80.7

DECEMBER 1963 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Dec. '63</u>	<u>Nov. '63</u>	<u>Dec. '62</u>
Basic Formula	\$3.16	\$3.15	\$3.10
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.06	(0.02)	(0.20)
Class I Price, 3.5% Butterfat	\$4.97	\$4.88	\$4.65
Per \$ 1090.51 (a)			
Supply-Demand Comparison: 1st and 2nd preceding months: October and November			
Supply: Lbs. Producer Milk (Oct. 16,476,001 and Nov. 15,513,870)			31,989,871
Demand: Lbs. Net Class I Milk (Oct. 14,639,563 and Nov. 14,230,894)			28,870,457
Utilization Percentage: Producer milk divided by Class I			111
Standard Utilization Percentage: Range 114-118			114
Net Deviation Percentage: Utilization minus Standard Utilization			minus 3
Supply-Demand Adjustment: 2 cents x 3 percentage points			plus \$0.06

Since the supply in relation to the demand is less than the desired standard, the price is increased 6 cents per hundredweight (2 cents x 3 percentage points).

COMPUTATION OF UNIFORM PRODUCER PRICES FOR NOVEMBER 1963

Based on 13 plant reports prior to audit (One plant excluded per \$1090.72(a))

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		13,591,480	3.549		
Less Other Source		149,356	2.791		
Producer Milk Class I	91.1	13,442,124	3.557548	\$4.923736	\$661,854.70
Gross Class II		1,879,014	8.647		
Less Other Source		561,769	1.256		
Producer Milk Class II	8.9	1,317,245	11.799020	8.690343	114,473.11
TOTAL PROD. (Cl. I + Cl. II)	100.0	14,759,369	4.293083		776,327.81
Add Fractional Adjustment					0.09
Add Compensatory Payment Value and Inventory Reclassification Value					162.61
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					8,692.58
TOTAL VALUE AT TEST		14,759,369	4.293083		785,183.09
Less Test Over 3.5% @ 7.4¢ per point		14,759,369	.793083	0.586881	86,619.93
TOTAL VALUE AT 3.5%		14,759,369	3.5	4.733015	698,563.16
Less Producer-Settlement Fund Reserve		14,759,369		.043015	6,348.74
UNIFORM PRICE f.o.b. POOL PLANT - 3.5%		14,759,369	3.5	\$4.69	\$692,214.42

NOVEMBER 1963 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)

BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$4.32	3.75	\$4.875	4.5	\$5.43	5.25	\$5.985
3.05	4.357	3.8	4.912	4.55	5.467	5.3	6.022
3.1	4.394	3.85	4.949	4.6	5.504	5.35	6.059
3.15	4.431	3.9	4.986	4.65	5.541	5.4	6.096
3.2	4.468	3.95	5.023	4.7	5.578	5.45	6.133
3.25	4.505	4.0	5.06	4.75	5.615	5.5	6.17
3.3	4.542	4.05	5.097	4.8	5.652	5.55	6.207
3.35	4.579	4.1	5.134	4.85	5.689	5.6	6.244
3.4	4.616	4.15	5.171	4.9	5.726	5.65	6.281
3.45	4.653	4.2	5.208	4.95	5.763	5.7	6.318
3.5	4.69	4.25	5.245	5.0	5.80	5.75	6.355
3.55	4.727	4.3	5.282	5.05	5.837	5.8	6.392
3.6	4.764	4.35	5.319	5.1	5.874	5.85	6.429
3.65	4.801	4.4	5.356	5.15	5.911	5.9	6.466
3.7	4.838	4.45	5.393	5.2	5.948	5.95	6.503

MILK BASE RULES

The following rules shall apply in connection with the establishment and assignment of producer milk bases for the Chattanooga Marketing Area:

- (a) A base shall be assigned to the producer for whose account milk is received at a pool plant during the months of September through January.
- (b) An entire base may be transferred effective as of the end of any month during which an application, on approved form, for such transfer is received by the Market Administrator.
 1. All base transfers shall be signed by the person transferring base and the person receiving base.
 2. If a base is held jointly, the transfer application shall be signed by all joint holders or their heirs.
- (c) A base established as a partnership may be divided between the partners on any basis agreed to in writing by the partners, provided written notification is given the Market Administrator.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/} Per Hundredweight				HANDLER CLASS PRICES ^{1/}			
	Uniform		Base		Class I		Class II	
			Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Nov. '62	\$4.20	-	-	7.2¢	\$4.52	7.5¢	\$3.09	6.7¢
Dec.	4.20	-	-	7.2	4.65	7.5	3.09	6.7
Jan. '63	4.29	-	-	7.2	4.70	7.5	3.09	6.7
Feb.	4.24	-	-	7.2	4.63	7.5	2.76	6.7
Mar.	4.33 ^{2/}	\$4.42	\$2.71	7.2	4.75	7.5	2.75	6.7
Apr.	4.23 ^{2/}	4.41	2.66	7.2	4.82	7.5	2.70	6.7
May	4.21 ^{2/}	4.34	2.62	7.2	4.79	7.5	2.66	6.7
June	4.17 ^{2/}	4.29	2.62	7.2	4.82	7.5	2.66	6.7
July	4.23 ^{2/}	4.39	2.62	7.2	4.83	7.5	2.66	6.7
Aug.	4.26	-	-	7.2	4.72	7.5	2.66	6.7
Sept.	4.30	-	-	7.4	4.61	7.5	3.20	6.9
Oct.	4.42	-	-	7.6	4.63	7.8	3.15	6.7
Nov.	4.69	-	-	7.4	4.88	7.6	3.13	6.7
Dec.	-	-	-	-	4.97	7.6	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA Minn.-Wisc. Mfg.Grade Milk \$-cwt-3.5%
	4 Tenn. Butter		4 Tenn. Milk Mfg.	Chi.92° Butter	Chi.Area Powders	
	Milk Mfg.	Powder	\$-cwt-4%	¢ Lb.	¢ Lb.	
Nov. '62	2.72	3.09	3.050	57.99	13.76	3.10
Dec.	2.75	3.09	3.081	57.98	13.86	3.11
Jan. '63	2.76	3.09	3.100	57.97	13.92	3.10
Feb.	2.76	3.08	3.100	57.94	13.95	3.10
Mar.	2.75	3.12	3.088	57.97	14.07	3.09
Apr.	2.70	3.09	3.031	57.97	13.97	3.08
May	2.66	3.09	3.000	57.97	13.94	3.07
June	2.66	3.12	3.000	57.97	14.04	3.08
July	2.66	3.12	3.000	57.97	14.03	3.09
Aug.	2.66	3.12	3.000	57.97	14.07	3.10
Sept.	2.66	3.20	3.000	59.70	14.18	3.12
Oct.	2.73	3.15	3.070	58.48	14.18	3.15
Nov.	2.80	3.13	3.138	58.09	14.26	3.16

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA ^{3/}			Deliveries Per			Prod. Milk Test%
	No.	Total	Class I	Class I	Total	Base	No.	Farm----	Pounds	
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base Exc.	
Nov. '62	14	515,320	408,567	403,451	500,139	-	672	744	- -	4.41
Dec.	14	513,390	372,053	367,468	496,731	-	668	744	- -	4.41
Jan. '63	15	508,073	389,629	383,326	493,008	-	666	740	- -	4.36
Feb.	15	543,735	406,650	400,237	497,477	-	694	717	- -	4.32
Mar.	16	522,627	400,023	385,801	481,460	456,507	661	728	691 37	4.17
Apr.	16	638,439	435,455	429,486	581,762	523,349	706	824	741 83	4.02
May	16	608,217	424,730	418,446	561,115	517,411	701	800	738 62	4.01
June	16	587,215	386,749	380,119	536,089	494,678	700	766	707 59	3.99
July	14	575,549	393,963	387,683	527,174	479,294	697	756	688 68	3.99
Aug.	14	586,869	430,310	423,917	537,729	-	695	774	- -	4.00
Sept.	14	593,494	450,863	445,015	559,667	-	694	806	- -	4.02
Oct.	14	557,444	477,892	471,754	531,484	-	689	771	- -	4.20
Nov.	14	541,145	477,597	472,618	517,129	-	684	756	- -	4.29

^{1/} Excludes Premiums

^{2/} For Statistics

^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I